



The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut

Northwest Workforce Development Area Tables, December 2005

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State of Connecticut

In 1999, P.A. 98-169 established the self-sufficiency standard. P.A. 02-54 was enacted in 2002 requiring the standard to be updated every three years. This report was prepared by the Office of Workforce Competitiveness (OWC) in consultation with the Permanent Commission on the Status of Women. For information, contact OWC at (860) 258-4301.

Permanent Commission on the Status of Women (PCSW)

PCSW was established by the Connecticut General Assembly in 1973. The Commission's mandate is to inform leaders about issues and actions affecting women and girls. For a full report, go to the website at <http://www.cga.ct.gov/PCSW> or call (860) 240-8300.

Executive Summary

The release of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*," presents an update to the 1999 report. In order to assist job seekers, policy makers, local regional workforce investment boards and local service providers, the data in the "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" is calculated for the 23 regions grouped within the five workforce development areas and is available for 70 different family types. The report also includes calculations for nine stand-alone cities so that the significant differences in costs between cities and suburban areas are not lost. The Northwest Workforce Development Area is composed of the city of Waterbury, Greater Waterbury, the city of Danbury, Greater Danbury, and the Northwest Corner. The tables show monthly expenses for selected family types in this area.

The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs—without public or private assistance.

The Self-Sufficiency Standard for Connecticut is a tool that can be used by policy makers, local elected officials, local planning agencies, state agencies, service providers and individual citizens who are seeking jobs or making choices about what education or skills they need to achieve economic security. The calculations and analyses contained in this report gives a picture of the costs of housing, child care, food, and other basic needs so that we can make good decisions about how to build pathways out of poverty for Connecticut families. Based upon the 2004 American Community Survey, in Connecticut there are 899,496 family households, of those, a total of 55,768 or 6.2% had income below the poverty level. Of those 55,768 families, 36,846 (66%) are single parent families with a female head of household. In 2002, 156,500 families claimed an earned income tax credit.

Although the State of Connecticut has the highest per capita income in the country, there are still families who are struggling to make ends meet. Since two-thirds of the single parents living below the poverty level are women, for purposes of this report, we are using as an example a single parent with a preschooler and a school-age child. The key findings of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" show that if families were making ends meet under this self-sufficiency standard, then:

Center for Women's Welfare

Under Dr. Diana Pearce's direction, the Center for Women's Welfare at the University of Washington is devoted to furthering the goal of economic justice for women and their families by researching poverty, public policy and income adequacy. For information, contact the center at (206) 685-5264.

Wider Opportunities for Women (WOW)

WOW works nationally to achieve economic independence and equality of opportunity for women and girls in areas such as nontraditional employment, job training, literacy, welfare to work and workforce development policy. For more information, go to <http://www.WOWonline.org> or call (202) 464-1596. To view other reports on family economic self-sufficiency, go to <http://www.sixstrategies.org>.

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- **Child care costs** throughout Connecticut would be about 30% to 39% of a family's monthly budget.
- **Housing costs** throughout Connecticut would be about 16% to 27% of a family's budget.
- **Health care** expenses throughout Connecticut would be a relatively small budget item, assuming families have access to employer-sponsored health insurance. For example, in the city of Hartford, for a family with one adult, a preschooler and a school-age child, health care costs constitute 8% of the family budget.
- In every region, a single parent with one preschooler and one school-age child needs to earn a minimum of two and one half times Connecticut's 2006 minimum wage of \$7.40 in order to meet the Self-Sufficiency income. For example, in the city of Waterbury, the Report shows that a full-time job at the 2006 Connecticut minimum wage provides only 40% of the amount needed to be self-sufficient. Even with the help of income supports, including the federal Earned Income Tax Credit (EITC), the working parent will receive a net total of \$15,165 per year (after taxes and tax credits), which is roughly one third (31%) of the Self-Sufficiency Standard and about 94% of the Federal Poverty Level of \$16,090.

The costs for family self-sufficiency vary among the cities within the state. For example, for our single parent with a preschooler and a school-age child the costs vary significantly in the city of Windham versus the city of Stamford. In the city of Windham, the family must have monthly earnings of \$3,512 per month (\$42,149 per year) while a family in the city of Stamford must earn \$5,116 per month or \$61,394 per year.

Work Supports

Public and private work supports play a vital role, when used as short-term assistance, in narrowing the gap between actual income and self sufficiency. The Report demonstrates that there are two means for improving a working family's "wage adequacy," – increasing work supports and raising the wage itself. For example, a parent with an infant and preschooler living in the city of Hartford who works full time at minimum wage (\$7.40) without any work supports or tax credits has only 36% "wage adequacy;" that is, their income from this wage only covers 36% of their expenses.

If the wage rises to \$12 per hour, wage adequacy will be 58%; at \$14 per hour, it is 67%. With a full range of available work supports including housing and child care assistance, HUSKY, Food Stamps and WIC, a minimum wage worker is at 95% of wage adequacy, and a worker earning \$14 per hour is at 102% of wage adequacy.

There are a number of successful strategies available to increase earnings and economic self-sufficiency, including but not limited to the provision of education and skill training; improved career guidance; promotion of nontraditional employment for women; micro-enterprise training and development; and sectoral employment interventions to identify high-wage, high-growth jobs and prepare workers to fill them. For example, the impact of education on earnings for women demonstrates that high school completion and post secondary education lead to significantly higher earnings. Women who did not complete high school earned

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\$19,253 per year, on average, while women with a high school diploma or GED earned \$26,146 per year, on average, according to the 2003 Bureau of Labor Statistics Population Survey. An Associate's degree increased the earnings for women by \$9,508 to \$36,654.

The Self-Sufficiency Standard gives us a great deal of information, but it does not tell the whole story. For example, health care costs for the Standard were calculated assuming access to employer-provided health insurance. If there is no employer-sponsored insurance, health care costs may be even higher than those used in the Standard. In addition, the Standard provides no allowance for family savings or the ability to accumulate assets (e.g. college education or retirement).

Therefore, this update of *"The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut"* makes it clear that challenges remain for a number of Connecticut families struggling to make ends meet. Many cannot afford their housing *and* their child care *and* their food and so must choose between their needs or provide substandard housing or inadequate child care or insufficient food or provide no health care at all. The Self-Sufficiency Standard is a useful tool and a target for policy makers, employers, advocates, and job-seekers as we all work to help low-income families reach economic self-sufficiency. It is our intention to work closely with the Regional Workforce Development Boards, State Agencies, and service providers to use this Report as they counsel customers. It will also be used to inform discussion with regard to the development of workforce policy.

Northwest Workforce Development Area

Region 1. City of Waterbury	New Fairfield	Harwinton
Region 2. Greater Waterbury	Newtown	Kent
Bethlehem	Redding	Litchfield
Thomaston	Ridgefield	Morris
Watertown	Sherman	New Hartford
Woodbury	Bridgewater	Norfolk
Cheshire	New Milford	North Canaan
Middlebury	Roxbury	Salisbury
Naugatuck	Washington	Sharon
Prospect	Region 5. Northwest Corner	Torrington
Southbury	Hartland	Warren
Wolcott	Barkhamsted	Winchester
Region 3. City of Danbury	Canaan	
Region 4. Greater Danbury	Colebrook	
Bethel	Cornwall	
Brookfield	Goshen	

Connecticut Workforce Development Areas, Self-Sufficiency Regions, Towns and Cities

Northwest Workforce Development Area 1. City of Waterbury 2. Greater Waterbury Bethlehem Thomaston Watertown Woodbury Cheshire Middlebury Naugatuck Prospect Southbury Wolcott 3. City of Danbury 4. Greater Danbury Bethel Brookfield New Fairfield Newtown Redding Ridgefield Sherman Bridgewater New Milford Roxbury Washington 5. Northwest Corner Hartland Barkhamsted Canaan Colebrook Cornwall Goshen Harwinton Kent Litchfield	Morris New Hartford Norfolk North Canaan Salisbury Sharon Torrington Warren Winchester	North Central Workforce Development Area 12. City of Hartford 13. Hartford Suburbs Bloomfield East Hartford Manchester Newington South Windsor West Hartford Wethersfield Windsor 14. North Central Avon Berlin Bristol Burlington Canton East Granby East Hartford East Windsor Enfield Farmington Glastonbury Granby Marlborough New Britain Plainville Rocky Hill Simsbury Southington Suffield Windsor Locks Plymouth Andover	Bolton Ellington Hebron Somers Stafford Tolland Vernon	Woodbridge 18. Lower Connecticut River Chester Deep River Essex Old Saybrook Westbrook	Salem Sprague Stonington Voluntown Waterford 23. Northeast Corner Brooklyn Canterbury Eastford Hampton Killingly Plainfield Pomfret Putnam Scotland Sterling Thompson Woodstock
	Southwest Workforce Development Area 6. City of Bridgeport 7. City of Stratford 8. City of Stamford 9. Naugatuck Valley Shelton Ansonia Beacon Falls Derby Oxford Seymour 10. Upper Fairfield Easton Fairfield Monroe Trumbull 11. Lower Fairfield Darien Greenwich New Canaan Norwalk Weston Westport Wilton		South Central Work-force Development Area 15. City of New Haven 16. Upper Connecticut River Cromwell Durham East Haddam East Hampton Haddam Middlefield Middletown Portland 17. Greater New Haven Clinton Killingworth Branford Bethany East Haven Guilford Hamden Madison Meriden Milford North Haven North Branford Orange Wallingford West Haven	Eastern Workforce Development Area 19. City of Windham 20. Greater Windham Colchester Lebanon Columbia Coventry Mansfield Union Willington Ashford Chaplin 21. City of New London 22. Greater New London Bozrah East Lyme Franklin Griswold Groton Ledyard Lisbon Lyme Montville North Stonington Norwich Old Lyme Preston	

Monthly Expenses for the City of Waterbury

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	547	37	645	24	645	15	645	17	547	24	645	20	645	16	645	25
Child Care	0	0	557	21	1727	40	1379	36	0	0	557	17	1114	27	0	0
Food	218	15	386	15	428	10	481	12	429	19	587	18	728	18	771	29
Transportation	262	18	268	10	268	6	268	7	511	23	517	16	517	13	511	20
Health Care	122	8	283	11	282	6	292	8	311	14	328	10	346	8	385	15
Miscellaneous	115	8	214	8	335	8	306	8	180	8	263	8	335	8	231	9
Taxes	220	15	432	11	926	15	769	13	286	13	493	11	687	10	309	3
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		-72	
Child Care Tax Credit (-)	0		-65		-100		-100		0		-55		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$8.43		\$14.97		\$24.68		\$22.01		\$6.43 per adult ****		\$9.24 per adult ****		\$11.66 per adult ****		\$7.42 per adult ****	
Monthly	\$1,483		\$2,636		\$4,344		\$3,874		\$2,263 combined ****		\$3,253 combined ****		\$4,105 combined ****		\$2,613 combined ****	
Annual	\$17,798		\$31,627		\$52,125		\$46,484		\$27,161 combined ****		\$39,034 combined ****		\$49,263 combined ****		\$31,360 combined ****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the Greater Waterbury**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	901	45	1121	33	1121	22	1121	24	901	33	1121	29	1121	23	1121	34
Child Care	0	0	557	17	1727	34	1379	30	0	0	557	14	1114	23	0	0
Food	218	11	386	11	428	8	481	10	429	16	587	15	728	15	771	23
Transportation	246	12	252	8	252	5	252	5	480	18	486	12	486	10	480	14
Health Care	122	6	283	8	282	5	292	6	311	11	328	8	346	7	385	12
Miscellaneous	149	7	260	8	381	7	352	8	212	8	308	8	379	8	276	8
Taxes	357	18	634	15	1219	19	1018	16	394	14	664	14	933	14	478	9
Earned Income																
Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care																
Tax Credit (-)	0		-55		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$11.32		\$19.06		\$29.22		\$26.30		\$7.75		\$11.13		\$13.75		\$9.50	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,993		\$3,354		\$5,143		\$4,629		\$2,727		\$3,917		\$4,840		\$3,343	
									combined****		combined****		combined****		combined****	
Annual	\$23,910		\$40,246		\$61,721		\$55,545		\$32,723		\$47,005		\$58,077		\$40,113	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Greater Waterbury is composed of Bethlehem, Thomaston, Watertown, Woodbury, Cheshire, Middlebury, Naugatuck, Prospect, Southbury and Wolcott.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the City of Danbury

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	815	44	1021	32	1021	21	1021	23	815	32	1021	27	1021	22	1021	32
Child Care	0	0	557	18	1727	35	1379	31	0	0	557	15	1114	24	0	0
Food	218	12	386	12	428	9	481	11	429	17	587	16	728	16	771	24
Transportation	242	13	248	8	248	5	248	6	471	18	477	13	477	10	471	15
Health Care	122	7	283	9	282	6	292	7	311	12	328	9	346	7	385	12
Miscellaneous	140	8	249	8	371	7	342	8	203	8	297	8	369	8	265	8
Taxes	317	17	577	14	1149	18	962	16	357	14	617	13	869	13	436	8
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care Tax Credit (-)	0		-58		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage	-															
Hourly***	\$10.53		\$18.06		\$28.17		\$25.33		\$7.35 per adult****		\$10.65 per adult****		\$13.23 per adult****		\$9.04 per adult****	
Monthly	\$1,853		\$3,179		\$4,958		\$4,457		\$2,586 combined****		\$3,750 combined****		\$4,656 combined****		\$3,180 combined****	
Annual	\$22,240		\$38,148		\$59,494		\$53,488		\$31,029 combined****		\$45,003 combined****		\$55,868 combined****		\$38,165 combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for Greater Danbury**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teen-ager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	923	46	1155	34	1155	22	1155	25	923	34	1155	29	1155	24	1155	34
Child Care	0	0	557	16	1727	33	1379	29	0	0	557	14	1114	23	0	0
Food	218	11	386	11	428	8	481	10	429	16	587	15	728	15	771	23
Transportation	239	12	245	7	245	5	245	5	465	17	471	12	471	10	465	14
Health Care	122	6	283	8	282	5	292	6	311	11	328	8	346	7	385	11
Miscellaneous	150	7	263	8	384	7	355	8	213	8	310	8	381	8	278	8
Taxes	363	18	646	15	1238	19	1039	17	396	14	672	14	941	14	486	9
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care Tax Credit (-)	0		-55		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage	-															
Hourly***	\$11.44		\$19.29		\$29.50		\$26.59		\$7.78		\$11.21		\$13.83		\$9.58	
									per adult ****		per adult ****		per adult ****		per adult ****	
Monthly	\$2,014		\$3,395		\$5,192		\$4,679		\$2,737		\$3,947		\$4,870		\$3,372	
									combined ****		combined ****		combined ****		combined ****	
Annual	\$24,170		\$40,744		\$62,298		\$56,154		\$32,843		\$47,365		\$58,436		\$40,463	
									combined ****		combined ****		combined ****		combined ****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Greater Danbury is composed of Bethel, Brookfield, New Fairfield, Newtown, Redding, Ridgefield, Sherman, Bridgewater, New Milford, Roxbury, and Washington.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the Northwest Corner**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	629	40	794	28	794	17	794	20	629	27	794	23	794	19	794	28
Child Care	0	0	557	20	1727	38	1379	34	0	0	557	16	1114	26	0	0
Food	218	14	386	14	428	9	481	12	429	19	587	17	728	17	771	28
Transportation	234	15	240	9	240	5	240	6	455	20	461	14	461	11	455	16
Health Care	122	8	283	10	282	6	292	7	311	14	328	10	346	8	385	14
Miscellaneous	120	8	226	8	347	8	319	8	182	8	273	8	344	8	240	9
Taxes	241	15	480	12	989	16	832	14	293	13	529	12	740	11	346	5
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		-35	
Child Care Tax Credit (-)	0		-63		-100		-100		0		-55		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage	-															
Hourly***	\$8.89		\$16.02		\$25.80		\$23.12		\$6.53 per adult****		\$9.63 per adult****		\$12.10 per adult****		\$7.92 per adult****	
Monthly	\$1,564		\$2,819		\$4,540		\$4,070		\$2,299 combined****		\$3,391 combined****		\$4,261 combined****		\$2,789 combined****	
Annual	\$18,767		\$33,824		\$54,480		\$48,839		\$27,593 combined****		\$40,688 combined****		\$51,127 combined****		\$33,471 combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Northwest Corner is composed of Hartland, Barkhamsted, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, Torrington, Warren and Winchester.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.